



DATE OF MEETING: May 29, 2023
TO: Mayne Island Local Trust Committee
FROM: Narissa Chadwick, Island Planner
Southern Team
COPY: Robert Kojima
SUBJECT: Housing Action Plan

RECOMMENDATION

1. That the Mayne Island Local Trust Committee request staff prepare and submit an application to Canadian Mortgage and Housing Corporation's (CMHC) Housing Accelerator Fund (HAF) to support the Housing Options project.
2. That the Mayne Island Local Trust Committee endorse the actions and implementation options identified in the draft Mayne Islands Housing Action Plan and direct staff to refine these actions and options as required to suit the needs of CMHC's HAF application process.
3. That the Mayne Island Local Trust Committee request staff develop a business case for the implementation of the Mayne Island Housing Action Plan that supports the concurrent implementation of all actions.
4. That the Mayne Island Local Trust Committee request staff send a letter to relevant First Nations to ask how they would like to be engaged in housing action plan initiatives.

REPORT SUMMARY

The purpose of this report is to present the Mayne Island LTC with a draft Housing Action Plan for the Housing Options Project and applying for Canadian Mortgage and Housing (CMHC)'s Housing Accelerator Fund (HAF). Background on the CMHC funding and requirements, an explanation of why Mayne Island is well positioned to apply for the funding and details on setting housing targets (required for the CMHC funding application) is provided.

BACKGROUND

At the March 27, 2023 meeting the Mayne Island LTC endorsed staff's recommendations to:

1. **Schedule a community information meeting on housing options.** A community information meeting was scheduled on May 29th prior to the regular LTC meeting.
2. **Endorse the recommended next steps leading to the development of a business case for 2024/25 supporting the Mayne Islands Housing Options Project.** The recommended next steps included:

organization of a CIM related to housing option, development of a housing options project plan (this has become the Housing Action Plan) and development of a business case.

Since the March 27, 2023 LTC meeting, the Canadian Mortgage and Housing Corporation announced the launch of the Housing Accelerator Fund. Staff have been connecting with CMHC staff to better understand the details of the funding program. Details on the program are provided below.

CMHC's Housing Accelerator Fund

CMHC's HAF provides funding for building housing and other housing supports (e.g. supportive infrastructure). Applications are evaluated based in large part on local governments' ability to create additional potential for increasing housing units through land use policy and regulation changes.

The funding calculation is based on a housing target. The housing target is the number of additional dwelling that could be created based on actions taken as part of the action plan coupled with the funding provided by CMHC above what would be estimated as the natural increase in the number of dwellings (the baseline). The number of building permits issued by September 2027 will be the measure of success

The housing target must reflect at least a 1.2% increase in the total growth of dwellings for each year of the program. The base calculation of funding is \$20,000 per unit. Additional funding is provided for rental, accessory dwelling units and affordable projects. If a local government does not reach their target but effectively moves forward with the initiative in their action plan they will receive 75% of their funding. Details on what this could look like for Mayne is identified later in this report.

In addition to a housing target, to be eligible for the funding an updated needs assessment and housing action plan is required. The funding application window will open in June 2023 and be open for 45 days.

ANALYSIS

The Opportunity for Mayne Island

Mayne is well positioned to apply for this funding for a number of reasons:

1. **The LTC has been working on housing for the past four years.** Under CMHC's program any actions taken after April 2022 can be considered part of the action plan submitted to them in the application. This enables Mayne to include the implementation of the Flexible Housing Project as an action. Targets can include potential uptake in the Flexible Housing pilot area and in areas where the LTC may want to expand flexible zoning. The MIHS rezoning can also be considered part of a project with targets being set based on the additional units that could be created. There are a number of other actions in the draft Housing Action Plan that increase the potential for additional dwelling units to be built.
2. **The Mayne Island community has been engaged in housing project discussions over the past term.** Over the course of the flexible housing project a number of community meetings were held. The community also engaged in discussions related to housing need through the Mayne Islands Housing Society rezoning process. Most recently a community meeting was held with Habitat for Humanity. As a result of all these discussions the LTC has developed an understanding of the need of the community related to housing. The implementation of the Housing Action Plan will include further community engagement.

3. **The rate of growth of dwellings meets CMHC’s required minimum.** The average annual growth in the number of dwellings on Mayne has been 15-16 per year which is a dwelling growth rate of 1.25%. CMHC’s required minimum is 1.2%. If growth in dwelling units continues as it has, the 1.2% required minimum will be achieved without any addition. However, targets for additional growth in dwellings will be required in order to receive funding.
4. **There are clear opportunities for the distribution of funds.** As the Islands Trust cannot provide funding directly to non profit organizations or private landowners. Staff have been discussing with the CRD the opportunity to support their Southern Gulf Islands Housing Strategy by directing the bulk of any funding received toward the development of the CRD’s Housing strategy, including a program to subsidize the development of accessory dwelling units. The Mayne LTC and staff is also in conversation with Habitat for Humanity. If funding is received, staff will explore opportunities to support Habitat’s work on Mayne Island.
5. **The LTC was well on the way to developing a Housing Action Plan.** [The March 27, 2023 Housing Project Options Staff report](#) provided the LTC with a list of housing options for discussion. The LTC endorsed options that were suitable. These options have informed the actions and initiatives contained in Mayne Island’s Housing Action Plan.
6. **Staff propose to complete a preliminary updated needs assessment.** For the purposes of the funding application to CMHC, staff will do a preliminary updated needs assessment based on the 2021 Stats Canada data and some analysis based on recent survey work done by the Mayne Islands Housing Society. Mayne Island be included in the new housing needs assessments required Trust Wide in fiscal year 2024/25.

Housing Targets and Estimated Funding

As identified above, the CMHC HAF application will require a 3 year housing target above the estimated natural growth in dwellings (baseline). Funding will be based on the target set. CMHC have identified that if the local government does not make their target they will still receive 75% of the total funding if they demonstrate they are moving forward on their actions.

The table below identifies a potential target for Mayne Island. While the target of 36 units in the next 3 years may seem ambitious, there are a number of factors that could contribute to reaching this target. These factors include: the opportunity to work with Habitat for Humanity in developing affordable ownership housing, the development of a program through the CRD to supplement the building of accessory dwelling units and the province’s introduction of forgivable loans of up to \$40,000 to support the development of secondary suites.

Existing Estimated Annual Growth in Dwellings based on 2016-2020 data	Proposed Targeted Increase	Estimated funding \$20,000 (+additional for affordable, ADU etc.)	75 % of funding
15 per year	12 units x 3 years = 36 units	36 x ~\$20,000 = \$720,000 + (~\$400,000) = ~1,000,000 total	\$750,000

The funding amounts are estimates. As a number of the estimated units will fall into CMHC’s top-up and affordable housing bonus category it is possible that the funding amount will be more than \$720,000 based on a target of 36 units.

Proposed Action Areas and Related Incentives

At the March 27, 2023 LTC regular meeting staff introduced a list of OCP and Land Use Bylaw amendment options to be considered by the LTC as possible considerations for the housing options projects. The draft Housing Action Plan identifies three action areas into which initiative supporting these options fit. To meet the requirements of the funding application, small communities are required to have five action areas. The draft Mayne Islands Action Plan contains seven action areas. These action have been described in ways that can be understood by the community and maintain familiar messaging. For the purposes of the CMHC funding application, staff may be describing the actions slightly differently. However, the intent will remain the same and nothing that is not contained in the draft Mayne Islands Housing Action Plan will be added.

The goals and actions contained in the Mayne Island Housing Action Plan (see Appendix 1) are identified in the table below.

Table 1: Housing Action Plan Goals and Actions

Goal 1 - Balancing housing interests with preserve and protect mandate: Identifying WHERE to put housing
Action 1: Suitable Land Analysis
Goal 2 – Increasing Housing Options: Permitting WHAT can be build
Action 2: Expand opportunities to build Secondary Suites and Accessory Dwelling Units
Action 3: Increase Opportunities for Non Profit Housing Development
Action 4: Permit Alternative Housing Approaches
Action 5: Reduce Ecological Footprint of New Builds
Goal 3 – Developing Partnerships to Build Housing: HOW to get housing built
Action 6 - Accessory Dwelling Unit Incentive Program
Action 7 – Developing Partnerships with Not For Profit Housing Providers

The LTC can choose to remove or amend some of the actions in the Action Plan. The LTC can also request additional actions be added. Endorsement of the actions and initiatives in the Action Plan would provide staff with the support to include identified actions and initiatives in the application for CMHC funding, but would not preclude additional items being added to the Action Plan at a later date.

Staff anticipate the development of a Trust Wide Housing Strategy as well as updated housing related Policy Statement support. If this is the case some additional amendments will be made to the introduction sections of the Action Plan to align with the Trust Wide strategic directions.

The Housing Action Plan Implementation Business Case

The next step in the Housing Options project is the development of a business case. It will be necessary to forward a business case to Trust Council for the 2024/25 fiscal year whether funding is received from CMHC or not. If funding is received, the business case will focus on the allocation of regional planning tem staff time to support the funded program. If funding is not received, the business case will include staff time and a budget request.

The LTC should provide direction on undertaking all actions concurrently or separately. Moving forward with all actions concurrently would mean consultation and engagement that considers all the actions together. It will also involve a single bylaw amendment process. Targeted engagement on some topics can still be integrated into this approach. This approach is likely to take less time unless there are issues with a specific initiative requiring

additional research, engagement or legal work. Moving forward with the actions separately will mean separate engagement processes and separate bylaw amendment processes. This approach will likely take more time.

If Trust Council does not support the allocation of funding or staff time to the implementation of Mayne's Housing Action Plan the LTC can still choose to move forward with specific indicatives as minor projects to be undertaken by the Island Planner.

RATIONALE FOR RECOMMENDATION

Recommendation 1: That the Mayne Island Local Trust Committee request staff submit an application to Canadian Mortgage and Housing Corporation's (CMHC) Housing Accelerator Fund (HAF).

- The Mayne LTC is well positioned to apply to the HAF based on the reasons previously identified in this report.

Recommendation 2: That the Mayne Island Local Trust Committee endorse the actions and implementation options identified in the draft Mayne Islands Housing Action Plan and direct staff to refine these actions and options as required to suit the needs of CMHC's HAF application process.

- The LTC has had substantial engagement with the community related to housing over the past four years.
- The Mayne Islands Housing Action Plan actions and implementation options are informed by the list of policy options provided in the March 27, 2023 staff report.
- Staff will need to refine the language used to describe some of the actions in a way that suits the language used by CMHC (eg. the use of "missing middle" to describe actions related to ADUs)

Recommendation 3: That the Mayne Island Local Trust Committee request staff develop a business case for the Implementation of the Mayne Island Housing Action Plan that supports the concurrent implementation of all actions.

- Developing a business case is the next step in moving forward the Housing Options project.
- Supporting the concurrent implementation of all action is likely to be more efficient.

Recommendation 4: That the Mayne Island Local Trust Committee request staff send a letter to relevant First Nations to ask how they would like to be engaged in housing action plan initiatives.

- Sending a letter to First Nations at this point will provide an opportunity for responses to inform the implementation of the project.

ALTERNATIVES

1. Don't apply to CMHC for housing accelerator funding

If the LTC decides not to pursue housing accelerator funding there will be no funding available to subsidize building. However, a similar amount of staff time will be required to support the implementation of actions.

2. Make Amendments to the draft Housing Action Plan

The LTC can choose to add, amend or remove any of the goals, actions or initiatives identified in the Housing Action Plan. The LTC should keep in mind that if they are going to support an application to CMHC a minimum of five actions will be required.

3. Develop a business case that supports the implementation of actions separately

Staff have recommended that the business case support the concurrent implementation of actions as it is likely to be more efficient. The LTC may choose not to support this approach.

NEXT STEPS

If the LTC supports staff recommendations:

- Staff will submit an application to CMHC for HAF funding based on the action and initiatives in the draft Mayne Island Housing Action plan.
- Staff will draft a business case.
- Staff will send a letter to relevant First Nations.

Submitted By:	Narissa Chadwick, Island Planner	May 11, 2023
Concurrence:	Robert Kojima, Regional Planning Manager	May 11, 2023

ATTACHMENTS

1. Draft Mayne Island Housing Action Plan

MAYNE ISLAND HOUSING ACTION PLAN (DRAFT MAY 2023)

Why Develop a Housing Action Plan For Mayne Island?

The traditional approach to land use planning on the Islands in the Islands Trust Area has resulted in zoning that has almost exclusively supported the development of single family dwellings limiting housing options. Lack of housing inventory and increasing property values in recent years have made purchasing and renting existing housing stock less accessible for those currently living on Mayne Island who do not own property.

The limitation of housing options has been a key concern on Mayne Island for over a decade. Over time a number of steps have been taken to address housing needs on Mayne Island. These steps have included: permitting secondary suites in all dwellings (excluding those in water services areas), permitting year round living in recreational vehicles, permitting rezoning for seniors housing and multi-family rental housing; increasing the max floor area for cottages and permitting apartments above commercial; and the introduction of flexible housing. Flexible housing permits an additional dwelling or dwellings within a maximum total floor area of all dwelling in a pilot area identified to be most suitable for a potential increase in intensity of residential land use.

While efforts to meet housing needs on Mayne Island have resulted in land use policy and regulatory support for a mix of housing options there is more that can be done. The Action Plan identifies a number of policy and regulatory options associated with seven action areas. These initiatives would enable an increase in the diversity of housing in suitable areas. Implementing these options will require clear direction and focus. This Mayne Island Housing Action Plan is designed to provide this focus.

Mayne Island’s Housing Action Plan compliments the Capital Regional District’s Southern Gulf Islands Housing Strategy and would be aligned with strategic action related to addressing housing need trust wide.

Housing for Who?

A diversity of housing options are needed for seniors, families and workers who do not currently own properties as well as seniors who own properties on the island but would like to downsize. The housing that is needed for Mayne Island falls within the shaded area on the spectrum of housing need in the table below.

Table 1: Spectrum of Housing Need

Short-Term Accommodation	Affordable Housing		Market Housing	
Emergency Shelter and Transitional	Affordable or Below market rental	Affordable and Below Market Ownership	Market Rental Housing	Single Detached Market Housing

Information provided by: [The 2018 Housing Needs Assessment for the Southern Gulf Islands](#), [2021 Statistics Canada Census Data](#), and the [Capital Regional Districts’s 2022 SGI Housing Market Analysis Report](#) identify that the primary housing need on Mayne Island is for rental and market housing that is affordable and

attainable low to middle income households. As defined by BC Housing “housing is considered affordable when 30 per cent or less of your household’s income goes toward paying for your housing costs”. Census statistics reveal that about 28% of households on Mayne Island are spending more than 30% of their income on housing According to 2021 Statistics Canada data.

Recent surveys undertaken by the Mayne Island Housing Society for their proposed rental housing indicates that while there are some families in need of affordable housing there are a significant amount of seniors looking for alternative housing options. About 55% of the population are 60+. While there are some seniors who are seeking affordable housing options, there are others that currently own homes and are looking to downsize and age in place. Based on this it can be assumed that there would be interest in some market rental housing. Market rental may also be required in multi-family developments to offset non market units as has been the case with BC Housing funded projects.

There are a number of individuals providing valuable services to the community whose living conditions are not ideal. The full year rental market is limited and insecure. There are households that are only able to rent for part of the year from non-residents who use their properties in the summer.

Updating needs assessments for the Islands Trust Area is a priority for the 2024/25 fiscal year. This will provide additional understanding of housing need that may not be captured by the preliminary update for Mayne to be attached to this action plan.

Housing Action Plan Goals

The housing actions and related initiatives for Mayne Island fall under three key goals. These goals with related actions and specific policy and regulatory options are identified below.

Goal 1: Balancing housing needs with the preserve and protect mandate: Identifying WHERE to put housing

This goal requires understanding **WHERE** additional density and intensity of land use will have the least negative impact on the land. Suitable locations are those that have reliable potable water, are outside of sensitive ecosystems, and are located close to community services and amenities. Location suitability also considers First Nations interests.

Action 1: Suitable Land Analysis

Suitable land analysis will help to identify locations appropriate for expanding flexible housing and other initiatives to permit additional housing units and supporting multi-family housing rezoning applications. This action builds on work already done through the Flexible Housing Project which looked at the use of groundwater availability mapping and other data to determine areas where an increase in housing would have the least potential negative impact. Mayne Island will be able to benefit from work being done at a Trust Wide level to gather other data that can be used to identify suitable land.

Related policy amendment:

OCP – Include schedule maps identifying land suitable for increases in housing

Goal 2: Increasing Housing Options: WHAT can be built

This goal focuses on **WHAT** kind of development should be supported through changes to land use policies and regulations. Permitting, through amendments to Official Community Plan (OCP) policies and to zoning, the ability to build a mix of housing in a diversity of locations (using housing agreements where feasible), is the strongest tool LTCs have to support housing affordability. This can increase the potential for property owners, non profit and government organizations to build units that address housing need. Suitable land analysis should be considered with all land use initiatives.

Action 2: Expand opportunities to build Secondary Suites and Accessory Dwelling Units

This action supports implementing and expanding the ability for private landowners to provide rental and ownership options by permitting increases in the number of accessory dwelling units (ADU) that can be built on single lots and enabling strata ownership of smaller dwelling units created. Policy and regulatory changes related to this action are:

- OCP - Requiring worker housing for all commercial rezoning.
- OCP - Supporting strata subdivision of accessory dwelling units in suitable areas
- LUB- Expanding secondary suites in suitable areas
- LUB - Expanding permission for ADUs on smaller lots
- LUB - Expanding flexible housing regulation to more areas, which allows additional dwellings with a combined maximum floor area

Action 3: Increase Opportunities for Non Profit Housing Development

One of the biggest impediments to building housing that is affordable is the cost of land. This action area focusses increasing the opportunity for land to be donated for the building of affordable housing by a not for profit organization. The policy and regulatory options related to this action are:

- OCP – permitting non-profit housing in most OCP designations
- OCP - Permitting rezoning for limited subdivision provided there is a donation of a lot for affordable housing.
- OCP – Designating suitable land to permit rezoning for subdivision in exchange for lots donated for affordable housing (to be secured with covenant)
- OCP – Allowing rezoning for non-market housing in all land use designations (including school properties, parks, community service)
- LUB - Allow smaller lot subdivisions for non profit affordable housing
- LUB – Rezoning existing land zoned for multiple dwellings to address housing need

Action 4: Permit Alternative Housing Approaches

This action area supports unique approaches to increasing housing supply by increasing permission to live in alternative dwellings and in areas where dwellings are not currently permitted. This action also includes requiring workforce housing for commercial/institutional and industrial rezoning. Policy and regulatory options related to this action are:

- OCP – Permitting rezoning for modular home villages
- OCP - Developing TUP guidelines for tiny homes
- LUB – Allowing more zones to have some measure of housing outright
- LUB – Pre-zoning for manufactured/mobile/tiny home parks
- LUB – Increasing building height to increase residential potential in commercial and other suitable areas

Action 5: Reduce Ecological Footprint of New Builds

This action focusses on reducing the impact of new builds on groundwater and reducing lot coverage. Bylaws developed for North Pender Island and Galiano Island can be used as reference.

- LUB - Require freshwater cisterns for all new builds
- LUB- Update potable water requirements for subdivision
- LUB - Establish floor area maximums where appropriate
- LUB - Prohibit groundwater fed swimming pools

Goal 3: Developing Partnerships to Build Housing : HOW to get housing built

Once the policies and regulations are in place to enable housing options, **HOW** the housing will be built will be dependent on private land owners, government agencies and not for profit organizations. Housing, no matter how small the dwelling, is expensive to build. Reducing the cost and barriers to building a diversity of housing on the island is multi faceted given the number of jurisdictions involved in different aspects of housing from subdivision approvals to building code to regulating drinking water and sewage (see chart in Appendix X).

As a land use authority, the Mayne Island LTC has the opportunity to apply for CMHC Housing Accelerator Funding that could be directed to support the costs to build. Subsidizing private land owners to develop smaller units and subsidizing the predevelopment costs and some of the development costs of non profits building multi family housing on Mayne could go a long way in facilitating the creation of affordable ownership and rental units. As the Islands Trust governance model does not allow for the direct transfer of funds to private landowners or not for profit organizations, if the Mayne LTC receives funding to build housing it will need to partner with another government agency. The two actions below identify partnership building opportunities that are related specifically to directing funding and developing partnerships to build housing.

Action 6 - Accessory Dwelling Unit Incentive Program

This program is supported by the CRD's Gulf Islands Housing Plan and is currently in development. There is potential for this program to be expedited if Mayne LCTC is successful in receiving CMHC funding through the Housing Accelerator Fund. If this is the case, Mayne Island will be a pilot for a future roll out to other Islands as other funding becomes available. This action would involve the following:

- Providing grants to support the development of accessory dwelling units (secondary suites, coach houses, cottages, garden sites)
- Developing a housing agreement program for private landowners developing rental options

Action 7 – Developing Partnerships with Not For Profit Housing Providers

There are limited opportunities to partner with Not for Profit Housing providers and funders as the small scale of housing development suitable for the Islands is not a key focus for these organizations. Habitat for Humanity is one organization that focuses on smaller scale affordable ownership housing for families and could be a good match for Mayne Island. Given this, working with Habitat for Humanity to identify options for donated land and help to facilitate partnerships and supports to build Habitat homes will likely be a priority for the Mayne Island LTC.

Implementation

The table below identifies the anticipated timing for the implementation of the actions in the Housing Action Plan as well as responsibilities.

Table 2: Housing Action Plan Implementation

ACTION	2023/24	2024/25	2025/26	2026/27	Responsibility/ Partnersl
Goal 1 - Balancing housing interests with preserve and protect mandate: Identifying WHERE to put housing					
Action 1: Suitable Land Analysis	To be undertaken at Trust Wide level				RPT, SFWS, IS, IP
Goal 2 – Increasing Housing Options: Permitting WHAT can be build					
Action 2: Secondary Suites/ ADUs		Goal will be to complete these action by the end of term (November 2026). Timing will depend on approach taken (concurrent action implementation or separated). It will also depend on Trust Council support of business case (bc) allocating funding and staff time.			RPT, Island Planner
Action 3: Increasing Non Profit Housing Opportunities					
Action 4: Housing Alternatives					
Action 5: Reduce Ecological Footprint of New Builds					
Goal 3 – Developing Partnerships to Build Housing: HOW to get housing built					
Action 6 – ADU Incentive Program	Development and Implementation of Program. Implementation will depend on funding and CRD.				RPT, CRD
Action 7 – Partnerships with Not For Profit Housing Providers	This action focusses primarily on the exploring the potential for Habitat for Humanity to build housing on Mayne Island. This work is currently in progress.				RPT, Habitat

- RPT – Regional Planning Team
- SFWS – Senior Freshwater Specialist
- IS – Information Systems
- CRD – Capital Regional District